



*United States Attorney  
Southern District of New York*

FOR IMMEDIATE RELEASE  
JANUARY 13, 2003

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**EX-BANKER SENTENCED TO FEDERAL PRISON FOR STEALING  
OVER \$70 MILLION TO FUND "CASTLE AT TARRYTOWN" HOTEL**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that HANSPETER WALDER, a private banker at UBS AG ("UBS") located in Manhattan, was sentenced Friday in Manhattan federal court to 8 years in prison for his role in a scheme to embezzle more than \$70 million from at least 22 UBS client accounts. WALDER had previously pled guilty to 16 counts of embezzlement on August 1, 2002.

As part of the sentence, United States District Judge RICHARD M. BERMAN also ordered WALDER to forfeit \$70 million, his interest in the Castle at Tarrytown hotel, and proceeds from the sale of an apartment controlled by WALDER. WALDER was ordered to be jailed immediately following the sentencing proceeding.

According to an Information filed in Manhattan federal court in August 2002, WALDER was responsible for supervising the accounts at UBS of wealthy individuals. During his guilty plea proceedings, WALDER admitted that beginning in the mid-1980s, WALDER willfully embezzled more than \$70 million from those UBS client accounts. According to the Information, WALDER did so by using his position as a private banker to transfer cash from client accounts to accounts that WALDER controlled, without the knowledge or consent of his clients.

In addition, according to the Information, WALDER often drew down on lines of credit that his clients had established at UBS without any authority from the clients to do so or he established new lines of credit on client accounts without the clients' knowledge by forging their signatures on credit applications and other loan documents. By these means, WALDER admittedly acquired tens of millions of dollars from UBS in the name of his clients, deposited the borrowed money in the clients' accounts, and then embezzled it without the clients' becoming aware of any of these transactions.

Between 1994 and 2001, the Information charges, WALDER transferred approximately \$54 million to an account he controlled in the name of 400 Benedict Corporation, which he used principally to pay for furnishings and other items for use in the Castle at Tarrytown hotel. In addition, WALDER transferred a

total of approximately \$1.7 million of client funds to offshore accounts that he controlled. WALDER also used client funds to pay personal expenses, including approximately \$1 million to pay his personal American Express account charges, and at least \$100,000 to purchase an apartment in Manhattan.

Mr. COMEY thanked the Federal Bureau of Investigation, the United States Postal Inspection Service, and the Federal Reserve Bank of New York for their assistance in the investigation and prosecution of this case.

WALDER, 59, is a resident of Tarrytown, New York.

Assistant United States Attorneys STEVEN G. KOBRE and TIFFANY M. ERWIN are in charge of the prosecution.

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